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SIPDIS  
SENSITIVE

DEPT FOR EAP/MTS, STAS, OES/STC, S/ECC, OES/EGC, AND  
R/ECA  
DEPT PASS TO OSTP Jason Rao  
NSC for Pradeep Ramamurthy  
BANGKOK FOR RDM/A

E.O. 12958: N/A  
TAGS: [PREL](#) [PGOV](#) [TSPL](#) [TBIO](#) [EAID](#) [KGHG](#) [ID](#)  
SUBJECT: Health Cooperation-No Agreement to Launch  
U.S.-Indonesia Joint Program

REF: A) Jakarta 175  
B) EAP/MTS-Embassy Jakarta email 02/03/10

¶1. (U) This message is Sensitive But Unclassified.  
Please handle accordingly.

¶2. (SBU) SUMMARY: After three days of intense discussions, U.S. and Indonesian negotiators could not reach agreement on the creation of the Indonesia-United States Center for Biomedical and Public Health Research (IUC). The USG accommodated GOI concerns regarding civilian control of the IUC and showed considerable flexibility on a range of other issues. However, GOI negotiators operated under instructions that precluded agreement in a number of key areas, including control of USG resources and personnel, privileges and immunities, the scope of the IUC's work, intellectual property rights and related issues. While we have requested ministerial level calls in an effort to break the impasse, we must begin preliminary steps to shut down the existing U.S. Navy laboratory in Jakarta. This step is a significant setback for our health cooperation and could harm other elements of our Comprehensive Partnership. However, we will work to minimize the damage, especially in light of the President's upcoming visit. END SUMMARY.

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¶3. (SBU) An interagency USG team visited Jakarta February 8-10 for negotiations aimed at establishing the Indonesia-United States Center for Biomedical and Public Health Research (IUC). The IUC would replace an existing U.S. Navy research laboratory (NAMRU-2) that had become the subject of considerable domestic controversy. Former Health Minister Siti Fadillah Supari-long an opponent of NAMRU-2-agreed in September 2009 to pursue the IUC as a possible new mechanism for our bilateral health cooperation. Our efforts took on added urgency when the GOI agreed to extend the visas of current NAMRU-2 personnel until March 15 but made clear that it could offer no further extensions.

¶4. (SBU) We have engaged the GOI at all levels in an effort to make the IUC a reality. Ambassador Hume has pressed the matter in meetings with several key Cabinet officials. On the last day of the recent negotiating round, visiting PACOM Commander Admiral Willard raised the subject with President Yudhoyono. At every turn, we underscored to the Indonesian side that continued U.S. Navy presence was critical to the IUC's success because no other USG agency had the resources and personnel to replace the Navy contribution. We also made clear our willingness to make every possible accommodation in order to assuage Indonesian political sensitivities.

#### FUNDAMENTALLY DIFFERENT VISIONS

¶5. (SBU) Using the USG draft Memorandum of Understanding (Ref B), USG negotiators worked with an interagency GOI team in an effort to narrow our differences. Initial discussions focused on the need to provide the GOI with political cover for the continued presence of U.S. Navy personnel. The USG agreed to a civilian-led structure that provided for joint decision making on all IUC research activities. We also accepted Indonesian proposals to remove any text that suggested that the IUC was a continuation of NAMRU-2 under a new name.

¶6. (SBU) As negotiations proceeded, however, it became clear that the Indonesian side held a fundamentally different vision of the IUC from the USG.

JAKARTA 00000182 002 OF 003

We had proposed a collaborative framework where each government contributed personnel and resources to work on joint projects of mutual benefit. Indonesian officials envisioned the IUC as an institution with a distinct legal personality and which would control personnel and resources provided by both governments.

¶7. (SBU) Successive Indonesian counter drafts of the IUC MOU continued to include language that the USG could not accept. At the conclusion of three days of negotiations, we remained far apart on several red line issues:

--Control of Resources and Personnel: GOI negotiators insisted on a management structure that gave IUC leadership, including a proposed Indonesian-national director, control over USG resources. The Indonesians also insisted on prohibiting U.S. Military personnel from participating in the IUC.

--Privileges and Immunities: The Indonesian side refused to grant USG personnel participating in the IUC privileges and immunities equivalent to Administrative and Technical Staff under the Vienna Convention on Diplomatic Relations.

--Scope of the IUC's Work: Indonesian officials had urged that the U.S. Centers for Disease Control be the lead agency on the USG side. However, they sought to restrict the IUC's activities in such a way that excluded most of the CDC's core activities. This included proscribing surveillance, applied epidemiology and other public health activities. GOI negotiators explained that some Indonesians, especially in the legislature, would view such activities as a violation of Indonesian sovereignty.

--Intellectual Property Rights and Related Issues: The Indonesian side insisted on the inclusion of an annex covering the protection of genetic resources and traditional knowledge that the USG could not accept. They also pressed for language that would have implications for ongoing multilateral negotiations on

intellectual property rights and sample sharing. We accepted language pledging to adhere to Indonesian laws on these matters as well as international agreements to which both countries were parties. However, we could not accept the GOI's other provisions.

--Adherence to Indonesian Government Policies:  
Indonesian negotiators insisted on language that obligated U.S. participants in the IUC to follow Indonesian government policies. While the USG accepted the need to follow Indonesian laws and regulations, the concept of policies remained too vague, and too easily changed, to accept. In addition, the GOI could not accept our requirement that the agreement explicitly state that applicable U.S. laws and regulations must be followed.

WHERE WE GO FROM HERE

18. (SBU) We have requested that Secretary Clinton call Foreign Minister Natalegawa and that Secretary Sebelius call Health Minister Endang in an effort to break the impasse (Ref A). The Charge has also discussed USG redline issues with the President's key foreign affairs advisor. The Department of Foreign Affairs (DEPLU) has informed us via diplomatic note that NAMRU-2 must be closed by March 15. Given that fact, we must begin the final shutdown of the laboratory's operations. We have already moved high-value equipment from the current NAMRU-2 facility

JAKARTA 00000182 003 OF 003

(located on a Ministry of Health compound) to the Embassy warehouse. We are also beginning to move other equipment from NAMRU-2 and will terminate NAMRU FSN employees consistent with Indonesian labor laws. Per the expired 1970 MOU on NAMRU, all fixed equipment and biological specimens will remain GOI property.

19. (SBU) Failure to reach agreement on the IUC is a significant setback for our health cooperation with Indonesia. Additionally, GOI positions during the IUC negotiations may pose problems for other areas of cooperation, such as the Science and Technology Agreement. While we will work to close NAMRU-2 as quietly as possible, some negative publicity may occur. Mission recommends that USG agencies currently engaged in health cooperation with Indonesia maintain their ongoing programs. This will help minimize the impact of the IUC impasse on other areas of our health relationship. We will continue to look for additional ways to minimize the damage this matter causes for other bilateral issues, especially in light of the President's upcoming visit. Mission has transmitted proposed press guidance on this matter to the Department via email.

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